वहनीय स्तरों के भीतर रखा जा सके तथा इसके साथ ही देश की विदेशी वित्त सहायता की आवश्यकता और विदेशी मुद्रा प्रारक्षित भंडारों के पर्याप्त स्तर के अनुरूप पूंजी प्रवाह को विनियमित किया जा सके।

Erosion in Value of UTI's Premier Scheme

202. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the recent erosion in value of UTI's Premier Scheme US-64;

(b) if so, the details thereof;

(c) whether the Central Trade Unions have expressed concern over this erosion as a large percentage of social security funds were invested in the scheme; and

(d) if so, the details in this regard and Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) According to Unit Trust of India (UTI), due to unfavourable stock market conditions there was a notionals depreciation in value of US-64 investment or Rs. 3566 crores as on 30th June, 1998.

(c) and (d) US-64 units are not a part of approved list of investment for provident/pension funds.

Remittance of Royalties by Nestle India Limited

203. SHRI KULDIP NAYYAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nestle India Limited remitted Rs. 43 crores in 1997 and Rs. 35 crores in 1996 on account of royalties;

(b) what is the basis on which the royalties payable are calculated;

(c) the manner in which Government check its validity;

(d) what is the justification of such large sums of money being sent out of the country by a consumer goods manufacturer; and

(e) whether the payment of royalty tax is deductable; if so, what is the loss on tax revenue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes Sir.

(b) Royalty is paid at 5% of turnover, net of excise duty on domestic sales. For export sales, the royalty is paid at 7%.

(c) The payment of royalty is governed as per the Agreement which is duly approved by the Reserve Bank of India.

(d) Royalty is paid for providing technical assistance as per the Agreement.

(e) Payment of royalty is an allowable expenditure as per the provisions of Income-tax Act, 1961 for computing taxable income. However, 20% of gross royalty remitted abroad is deducted as tax at source. Royalty tax is not deductible in the computation of income or from the final tax payable by Nestle India.

US 64 Crisis in UTI

204. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the UTI was recently in the grip of a serious redemption pressure of US 64 units;

(b) if so, the number of units offered for repurchase and the number actually purchased by the UTI as on date;

(c) by when the backlog; if any, is likely to be cleared; and

(d) the steps taken to generate public confidence in the credibility of the UTI?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c)